

BUSINESS PROCESS V

REPAYMENT AND COLLECTION

SUMMARY: ED conducts two major collection and repayment processes that support a \$50 billion loan and grant portfolio.

(1) The Direct Loan Service System (DLSS) supports activities and processes for collecting Direct loans, reporting the status of these loans to federal agencies and student aid delivery partners, providing information to borrowers about their loans, and informing borrowers of repayment programs for which they may be eligible (based on their repayment history).

(2) The Debt Collection Service (DCS) is responsible for collecting seriously delinquent (defaulted) Federal loans and over-awards of Federal grants. DCS carries out activities for transferring delinquent loans from other sources, reporting the status of these loans to Federal agencies and financial aid delivery partners, providing information to borrowers about their loans, rehabilitating borrowers that dependably repay their previous delinquent loans, and utilizing special tools to recover Federal assets for borrowers who remain delinquent.

BUSINESS PROCESS GOAL: To facilitate on-time student loan repayment, minimize the incidence of default, and facilitate the collection of defaulted student loans and other obligations (e.g., overpayments of grant aid).

BUSINESS PROCESS DESCRIPTION

There are five common business sub-processes for DLSS and DCS that constitute the core of ED's repayment and collection activities.

1. Accounts Receivable / Booking: initially setting up of the account in the system;
2. Billing: producing and sending bills to borrower;
3. Payment Processing: receiving and posting payments to accounts;
4. Account Maintenance: keeping information current about the borrower, the balance of the account, and the status of the loan; and
5. Borrower Contact: maintaining contact with the borrower.

In addition, there are two reporting processes by which ED and outside systems are informed of a borrower's repayment and credit status. These are:

1. The National Student Loan Data System (NSLDS): reports borrower repayment /default status and
2. National Credit Bureaus: report the borrower's credit status.

BUSINESS PROCESS CONTINUITY AND CONTINGENCY PLANS

PLAN A

Potential Failure: DLSS or DCS cannot produce bills or send bills to borrowers on or after January 4, 2000.

Contingency Plan: ED will take the following actions:

1. Bill borrowers in January 2000 and subsequent months based on December 1999 loan information until systems are restored, and
2. Suspend reporting to credit bureaus.

Assumptions: All other processes operate satisfactorily. In the event that another process fails, ED will continue repayment and collections activities by implementing PLAN B, C, or E, as needed.

For more information, see **DETAILED CONTINGENCY PLAN A.**

PLAN B

Potential Failure: DLSS or DCS cannot process borrower payments after January 1, 2000.

Contingency Plan: ED will take the following actions:

1. For DLSS, create and store borrower payment files;
2. For DCS, contractor will manually log payments;
3. Deliver payments to the Federal Reserve Bank daily;
4. After repairs are completed, the backlog will be worked and payments will be posted to appropriate system; and
5. Suspend reporting to credit bureaus.

Assumptions: All other processes operate satisfactorily. In the event that another process fails, ED will continue repayment and collections activities by implementing PLAN A, C, or E, as needed.

For more information, see **DETAILED CONTINGENCY PLAN B.**

PLAN C

Potential Failure: DLSS or DCS cannot update borrower accounts after January 1, 2000.

Contingency Plan: ED will take the following actions:

1. Manually log new data as necessary;
2. After repairs are completed, enter logged data into the appropriate system; and
3. Suspend reporting to credit bureaus and other reporting dependent on updated data that is manually logged and pending system input.

Assumptions: All other processes operate satisfactorily. In the event that another process fails, ED will continue repayment and collections activities by implementing PLAN A, B, or E, as needed.

For more information, see **DETAILED CONTINGENCY PLAN C.**

PLAN D

Potential Failure: DLSS cannot book new loans or DCS cannot accept new accounts after January 1, 2000.

Contingency Plan: ED will take the following actions:

1. For DLSS, accumulate data from school disbursement records and enter that data after systems are repaired; and
2. For DCS, request partners to hold loans until ED systems can receive and process those loans.

Assumptions: Schools will retain disbursement records.

For more information, see **DETAILED CONTINGENCY PLAN D.**

PLAN E

Potential Failure: DLSS cannot process electronic debits to borrowers after January 1, 2000.

Contingency Plan: ED will provide a file of borrowers and scheduled electronic debits to Treasury for posting.

Assumptions: All other processes operate satisfactorily. In the event that another process or all other processes fail, ED will continue repayment and collections activities by implementing PLAN A, B, or C, as needed.

For more information, see **DETAILED CONTINGENCY PLAN E.**

PLAN F

Potential Failure: A school cannot perform Federal Perkins Loan due diligence requirements after January 3, 1999.

Mitigation Plan: In the fall, ED will issue guidance by letter or Web postings encouraging schools to back up all title IV relevant data.

Assumptions: ED would not enforce the requirement under §674.42(b)(2)(i), (ii) and (iii) (for contacting borrowers during initial and post deferment grace periods) and under 674.43 (b)(1) (that borrowers must be sent the first overdue notice within 15 days after the payment due date) for the first 30 days after a school failure.

Also, ED would not enforce the requirement under §674.33(d)(2) (that schools have a written request from a borrower before putting the borrower into forbearance) for the first 30 days after a school failure.

No **DETAILED CONTINGENCY PLAN** is provided because this potential failure does not involve an ED system.

DETAILED CONTINGENCY PLAN A

This plan details the steps ED will take in the event that DLSS or DCS cannot produce bills or send bills to borrowers on or after January 4, 2000.

Business Owner *(This is the name of the business process owner with implementation authority.)*

DLSS

Direct Loan Servicing System
U.S. Department of Education
7th and D Streets, SW
ROB-3, Room 4025
Washington, DC 20202

DCS

Debt Collection Service
U.S. Department of Education
7th and D Streets, SW
ROB-3, Room 5114
Washington, DC 20202

I. Prerequisites *(Activities that need to be completed on or before December 31, 1999, to implement the contingency plan.)*

1. No later than July 30, 1999, the Business Owner for DLSS will prepare a task order under which the DLSS and contractors will create:

- a. A "Y2K Backup Tape" at the conclusion of each billing cycle during December 1999. These tapes will be used to generate replacement bills for January 2000 and subsequent months.

- b. A "Name/Address" tape in late December 1999 to prepare mass mailing letters to borrowers. This tape would be used to produce "information mailings" during the contingency period.
2. For DCS, no additional tapes are needed. DCS currently prints billing data to a file and then prints the bills. The file is archived and can be used at a later date.
3. The Business Owners will conduct weekly meetings to review planning and preparations during November and December, 1999.
4. The Business Owners will conduct daily meetings to review planning and preparations during the two weeks prior to December 31, 1999.

II. Zero-Day Strategy *(In some instances it may be possible to minimize the risk of failure. The zero day strategy provides for risk reduction activities such as shutting down non-essential dependent processes to protect the critical process.)*

Detailed information about the Day-One Plan and Zero-Day Strategy for FFEL and DLSS is maintained by Program System Services (PSS) as part of their Y2K preparation.

III. Trigger Criteria *(The criteria define the instance of failure, time required to initiate the contingency plan, and the time required to conduct other trigger activities.)*

Trigger *(An event or chain of events that signals the need to implement the contingency plan.)*

DLSS or DCS systems cannot produce bills at their first billing production cycle on January 4, 2000. The contingency plan would be enacted on the second day after the failure occurs (allowing the first day for immediate remediation and the second day for transport of the backup tapes to the print shop). The contingency sequence of events would then be enacted per the same schedule as a normal production cycle without any additional lost time.

System Monitoring *(Ongoing systems review process.)*

Computer operations staff monitors daily production processes and Quality Control conducts random sampling on all output.

Response Procedure *(Procedures for notifying responsible parties of system failures.)*

For DLSS:

1. Computer operations staff or Quality Control personnel will inform the contractor's Production Manager.

2. The contractor's Production Manager will inform the Program Manager.
3. The Program manager will call the DLSS Division Director at ED and the Division's Production Lead.

For DCS:

1. The Director of Program Systems Service (PSS/FFELSD) will call the Acting Director of DCS.

Event Monitoring (*Parties responsible for overseeing system repairs.*)

For DLSS:

Both the Quality Control staff of the contractor and the Independent Quality Control Unit (IQCUC) will review and monitor all activities and report at AM and PM Production meetings any significant events during the recovery process. IQCUC will perform "first live batch" reviews of all output and processes and provide an independent assessment of these activities.

For DCS:

FFEL and DCS staff will review and monitor all activities and report at the morning and afternoon production meetings. FFEL and its system contractor will perform First Live Batch reviews of all output processes, and provide an assessment at the next production meeting.

Failure Tolerance Threshold (*The time ED will allow for system repairs to be completed before implementing the contingency plan.*)

One day.

Implementation Timeframe (*The time it will take to implement the contingency plan.*)

The contingency plan can be implemented immediately after a failure occurs.

Go No-Go Decision Point (*The last day by which the Business Owner must decide whether to proceed with the plan so that it can be implemented on the next day after the Failure Tolerance Threshold.*)

One day after a failure, the Business Owner will assess progress and remediation efforts to fix the problem and will enact the plan if efforts are not leading to an immediate recovery.

Notification Procedures *(The actions ED will take to inform customers and partners of the system failure and the contingency plan requirements.)*

ED and its contractors will implement several actions:

For Direct Loans Servicing System:

1. ED's Production Lead will notify the Division Director of the occurrence of a Y2K problem.
2. The Division Director will contact the ED Customer Service and notify them of the failure.
3. The Division Director will notify ED management:
 - a) Program Systems Service, Director;
 - b) Customer Accounts Managers, Direct Loan Liaison Officer;
 - c) Direct Loan Task Force, Director;
 - d) Customer Service Branch, Chief; and
 - e) Accounting and Financial Management Service, Director.
4. The Customer Service Voice Response Unit at the Loan Servicing Center will be programmed to announce the problem and provide pertinent, updated information on remediation activities.
5. The Division Production Lead will notify all trading partners of the situation and coordinate processing activities during the contingency period.

For DCS:

1. The Director, PSS/FFELSD will notify the Director, DCS, of the occurrence of a Y2K problem.
2. The Service Director will notify his or her Division Directors and Regional Directors.
3. The COTR, Region IV for collection agency contracts will contact the private collection agencies.
4. The COTR, Region V for the Public Inquiry Contractor (PIC) will notify that contractor.
5. The Interactive Voice Response Unit at the Public Inquiry Contractor will be programmed to announce the problem and provide further information.
6. DCS management will notify additional program trading partners, including Treasury, guaranty agencies and others.

IV. Business Resumption Team *(Identify and list the roles and responsibilities of team members.)*

DLSS Business Resumption Team

Business Owner
U.S. Department of Education
ROB-3, Room 4025
7th & D Streets, SW
Washington, DC 20202

Manage the overall activities associated with implementing the DLSS part of the contingency plan and has the authority to commit ED resources. Also responsible for updating senior ED management and providing direction to the contractor through the COTR.

Production Lead
U.S. Department of Education
ROB-3, Room 4025
7th & D Streets, SW
Washington, DC 20202

Monitor the Production environment and communicate with other on-site monitors at all trading partners.

Development Team Leader
U.S. Department of Education
ROB-3, Room 4025
7th & D Streets, SW
Washington, DC 20202

Review and provide advise on all system development activities and serve in the absence of the Business Owner.

COTR
U.S. Department of Education
ROB-3, Room 4025
7th & D Streets, SW
Washington, DC 20202

Inform the contracting office of specific directions provided to the contractor.

Development, Y2K Team Leader
U.S. Department of Education
ROB-3, Room 4025
7th & D Streets, SW
Washington, DC 20202

Coordinate Y2K response activities and assure compliance with plans and directions.

Program Systems Service Director
U.S. Department of Education
ROB-3, Room 4025
7th & D Streets, SW
Washington, DC 20202

Manage the overall activities associated with implementing the DLSS portion of the contingency plan and has the authority to commit ED resources. Also responsible for updating senior ED management and providing direction to the contractor through the COTR.

DCS Business Resumption Team

Business Owner
U.S. Department of Education
ROB-3, Room 5114
7th & D Streets, SW
Washington, DC 20202

Manage the overall activities associated with implementing the DCS portion of the contingency plan and has the authority to commit ED resources. Also responsible for updating senior ED management and providing direction to the contractor through the COTR.

Director
U.S. Department of Education
7th & D Streets, SW
Washington, DC 20202

Monitor the Production environments and communicate with other on-site monitors at all trading partners and contractors.

Director
Region IV Service Center
U.S. Department of Education
Atlanta, GA

Monitor the Production environment and communicate with other on-site monitors at all trading partners and contractors in the region.

Director
Region V Service Center
U.S. Department of Education
Chicago, IL

Monitor the Production environment and communicate with other on-site monitors at all trading partners and contractors in the region.

Director
Region IX Service Center
U.S. Department of Education
San Francisco, CA

Monitor the Production environment and communicate with other on-site monitors at all trading partners and contractors in the region.

Director (Acting)
PSS/FFELSD, Process Owner
U.S. Department of Education
ROB-3, Room 4517
7th & D Streets, SW Washington, DC 20202

Provide direction to the System Contractor through the COTR.

Y2K Team Leader
U.S. Department of Education
ROB-3
7th and D Streets, SW
Washington, DC 20202

Coordinate Y2K activities and assure compliance with plans and directions.

Production Lead
U.S. Department of Education
ROB-3
7th and D Streets, SW
Washington, DC 20202

Monitor the production environment and communicate with on-site monitors.

COTR
U.S. Department of Education
ROB-3
7th and D Streets, SW
Washington, DC 20202

Inform contracting office of specific directions to the contractor.

Computer Security Officer
ROB-3
U.S. Department of Education

7th and D Streets, SW
Washington, DC 20202

Responsible for ensuring that the DLSS and DCS security standards are maintained while the systems are repaired and during the time the plan is implemented.

V. Sequence of Required Activities *(The activities that the Business Resumption Team will carry out in support of the contingency plan and after the Business Owner decides to implement the contingency plan.)*

1. The Business Owner will conduct morning status meetings every day of production for the first two weeks of January 2000.
2. The DLSS Resumption Team will:
 - a. Notify ED senior management of the situation on the day the contingency plan is implemented;
 - b. Notify "print fulfillment" contractors on the day the plan is implemented of situation and place them on alert to schedule production using Y2K back-up tapes;
 - c. Suspend credit bureau reporting activities on the day the plan is implemented;
 - d. Notify all trading partners on the day the plan is implemented.
 - e. Notify IQCU to commence Y2K contingency First Live Batch (FLB) on day two of the plan implementation; and
 - e. Print first billing cycle bills and mail (includes FLB inspection) on day two of the plan implementation.
3. The DCS Business Owner will notify the contractor to print bills no later than day two of the plan implementation.
4. When notified that the Y2K failure is repaired, the DLSS contractor will resume regular billing process and notify internal and external parties.

VI. Testing Plan *(The activities ED will carry out before December 31, 1999, to test the contingency plan.)*

1. Test Objectives

To ensure that the fulfillment center can process from a "Y2K tape." Inspect First Live Batch results for accuracy. Note: [no further test is needed because this process was performed as a regular production activity in 1998. However a tabletop test will be performed.](#) For DCS, no test is needed because the contractor has tested this tape and print process previously during the Student Loan Processing Center "Hot Site" operation.

2. Test Approach

Send tapes of billing cycle and execute print programs.

3. Required Resources

For Direct Loan Servicing System

Tape, reallocation of ED and contractor staff resources to execute and verify test, travel to and lodging at the fulfillment center for IQCU and ED staff, computer/printing time to execute test, and paper for approximately 450,000 bills, as required to run the job.

4. Personnel

See Business Resumption Team (Part IV).

5. Schedules and Locations

Anticipate a May to October 1999 time frame. Need to schedule time and locations.

6. Test Procedures

- a. Create tapes;
- b. Transport tapes to fulfillment center;
- c. Transport staff to fulfillment center;
- d. Mount tapes;
- e. Run program to read tapes and print bills;
- f. Perform First Live Batch review of output to verify success;
- g. Present findings to Department management;
- h. Contractor will print bills from archived files; and
- i. PSS/FFEL and DCS will inspect prior to mailing

7. Expected Results and Exit Criteria

Successful completion of print jobs and accurate results of bills printed.

DETAILED CONTINGENCY PLAN B

This plan details the steps ED will take in the event that DLSS or DCS cannot process borrower payments after January 1, 2000.

Business Owner *(This is the name of the business process owner with implementation authority.)*

DLSS

Direct Loan Servicing System

DCS

Debt Collection Service

U.S. Department of Education
7th and D Streets, SW
ROB-3, Room 4025
Washington, DC 20202

U.S. Department of Education
7th and D Streets, SW
ROB-3, Room 5114
Washington, DC 20202

I. Prerequisites *(Activities that need to be completed on or before December 31, 1999, to implement the contingency plan.)*

1. No later than July 30, 1999, the Business Owner will prepare a task order under which the DLSS and Lockbox contractors will create daily "Payment" data files for processing after system remediation and restart, and to store the daily "Payment" data files in a secure location until they are processed. (This is not necessary for DCS--the Contractor will receive payments and manually log them. Payments will be delivered to the Federal Reserve Bank daily.)
2. The Business Owner will conduct weekly meetings to review planning and preparations during November and December 1999.
3. The Business Owner will conduct daily meetings to review planning and preparations during the two weeks prior to December 31, 1999.

II. Zero-Day Strategy *(In some instances it may be possible to minimize the risk of failure. The zero day strategy provides for risk reduction activities such as shutting down non-essential dependent processes to protect the critical process.)*

Detailed information about the Day-One Plan and Zero-Day Strategy for FFEL and DLSS is maintained by Program System Services (PSS) as part of their Y2K preparation.

III. Trigger Criteria *(The criteria define the instance of failure, time required to initiate the contingency plan, and the time required to conduct other trigger activities.)*

Trigger *(An event or chain of events that signals the need to implement the contingency plan.)*

DLSS system can not process daily payment inputs from lockbox. For DCS, the failure would be declared when payments received could not be processed. The contingency plan would be enacted on the first day after the DLSS or DMCS system failure occurs (allowing the first day for immediate remediation efforts). The contingency sequence of events would be enacted that same day without any additional lost time.

System Monitoring *(Ongoing systems review process.)*

Computer operations staff monitors daily production processes and Quality Control conducts random sampling on all output.

Response Procedure *(Procedures for notifying responsible parties of system failures)*

For DLSS:

1. Computer operations staff or Quality Control personnel will inform the contractor's Production Manager.
2. The contractor's Production Manager will inform the Program Manager.
3. The Program manager will call the DLSS Division Director at ED and the Division's Production Lead.

For DCS:

1. The Director of Program Systems Service (PSS/FFELSD) will call the Acting Director of DCS.

Event Monitoring *(Parties responsible for overseeing system repairs.)*

For DLSS:

Both the Quality Control staff of the contractor and the Independent Quality Control Unit (IQCUC) will review and monitor all activities and report at AM and PM Production meetings any significant events during the recovery process. IQCUC will perform "first live batch" reviews of all output and processes and provide an independent assessment of these activities.

For DCS:

FFEL and DCS staff will review and monitor all activities and report at the morning and afternoon production meetings. FFEL and its system contractor will perform First Live Batch reviews of all output processes, and provide an assessment at the next production meeting.

Failure Tolerance Threshold *(The time ED will allow for system repairs to be completed before implementing the contingency plan.)*

One day.

Implementation Timeframe *(The time it will take to implement the contingency plan.)*

The contingency plan can be implemented immediately after a failure occurs.

Go No-Go Decision Point (*The last day by which the Business Owner must decide whether to proceed with the plan so that it can be implemented on the next day after the Failure Tolerance Threshold.*)

One day after a failure, the Business Owner will assess progress and remediation efforts to fix the problem and will enact the plan if efforts are not leading to an immediate recovery.

Notification Procedures (*The actions ED will take to inform customers and partners of the system failure and the contingency plan requirements.*)

ED and its contractors will implement several actions:

For Direct Loans Servicing System:

1. ED's Production Lead will notify the Division Director of the occurrence of a Y2K problem.
2. The Division Director will contact the ED Customer Service and notify them of the failure.
3. The Division Director will notify ED management:
 - a) Program Systems Service, Director;
 - b) Customer Accounts Managers, Direct Loan Liaison Officer;
 - c) Direct Loan Task Force, Director;
 - d) Customer Service Branch, Chief; and
 - e) Accounting and Financial Management Service, Director.
4. The Customer Service Voice Response Unit at the Loan Servicing Center will be programmed to announce the problem and provide pertinent, updated information on remediation activities.
5. The Division Production Lead will notify all trading partners of the situation and coordinate processing activities during the contingency period.

For DCS:

1. The Director, PSS/FFELSD will notify the Director, DCS, of the occurrence of a Y2K problem.
2. The Service Director will notify his or her Division Directors and Regional Directors.
3. The COTR, Region IV for collection agency contracts will contact the private collection agencies.
4. The COTR, Region V for the Public Inquiry Contractor (PIC) will notify that contractor.

5. The Interactive Voice Response Unit at the Public Inquiry Contractor will be programmed to announce the problem and provide further information.

6. DCS management will notify additional program trading partners, including Treasury, guaranty agencies, and others.

IV. Business Resumption Team (*Identify and list the roles and responsibilities of team members.*)

DLSS Business Resumption Team

Business Owner
U.S. Department of Education
ROB-3, Room 4025
7th & D Streets, SW
Washington, DC 20202

Manage the overall activities associated with implementing the DLSS portion of the contingency plan and has the authority to commit ED resources. Also responsible for updating senior ED management and providing direction to the contractor through the COTR.

Production Lead
U.S. Department of Education
ROB-3, Room 4025
7th & D Streets, SW
Washington, DC 20202

Monitor the Production environment and communicate with other on-site monitors at all trading partners.

Development Team Leader
U.S. Department of Education
ROB-3, Room 4025
7th & D Streets, SW
Washington, DC 20202

Review and provide advise on all system development activities and serve in the absence of the Business Owner.

COTR
U.S. Department of Education
ROB-3, Room 4025
7th & D Streets, SW
Washington, DC 20202

Inform the contracting office of specific directions provided to the contractor.

Development, Y2K Team Leader
U.S. Department of Education
7th & D Streets, SW
ROB-3, Room 4025
Washington, DC 20202

Coordinates Y2K response activities and assures compliance with plans and directions.

Service Director
U.S. Department of Education
ROB-3, Room 4025
7th & D Streets SW
Washington, DC 20202

Manages the overall activities associated with implementing the DLSS portion of the contingency plan and has the authority to commit ED resources. Is also responsible for updating senior ED management and providing direction to the contractor through the COTR.

On Site Monitor
U.S. Department of Education
501 Bleecker Street
AFSA Service Center
Utica, NY 13501

On site production and quality monitor. Coordinates with other on-site monitors at trading partner sites.

DCS Business Resumption Team

Business Owner
U.S. Department of Education
ROB-3, Room 5114
7th & D Streets SW
Washington, DC 20202

Manages the overall activities associated with implementing the DCS portion of the contingency plan and has the authority to commit ED resources. Is also responsible for updating senior ED management and providing direction to the contractor through the COTR.

Director
U.S. Department of Education

7th & D Streets SW
Washington, DC 20202

Monitors the Production environments and communicates with other on-site monitors at all trading partners and contractors.

Director
Region IV Service Center
U.S. Department of Education
Atlanta, GA

Monitors the Production environment and communicates with other on-site monitors at all trading partners and contractors in the region.

Director
Region V Service Center
U.S. Department of Education
Chicago, IL

Monitors the Production environment and communicates with other on-site monitors at all trading partners and contractors in the region.

Director
Region IX Service Center
U.S. Department of Education
San Francisco, CA

Monitors the Production environment and communicates with other on-site monitors at all trading partners and contractors in the region.

Director (Acting)
PSS/FFELSD, Process Owner
U.S. Department of Education
ROB-3, Room 4517
7th & D Streets SW
Washington, DC 20202

Provides direction to the System Contractor through the COTR.

Y2K Team Leader

Coordinates Y2K activities and assures compliance with plans and directions.

Production Lead

Monitors the production environment and communicates with on-site monitors.

COTR

Informs contracting office of specific directions to the contractor.

Computer Security Officer
U.S. Department of Education
ROB-3, Room 4025
7th and D Streets SW
Washington, DC 20202

Responsible for ensuring that the DLSS and DCS security standards are maintained while the systems are repaired and during the time the plan is implemented.

V. Sequence of Required Activities *(The activities that the Business Resumption Team will carry out in support of the contingency plan and after the Business Owner decides to implement the contingency plan.)*

1. The Business Owner will conduct morning status meetings every day of production for the first two weeks of January 2000.
2. The DLSS Business Resumption Team will:
 - a. Notify ED senior management of the situation on the day the contingency plan is implemented;
 - b. Notify the lockbox of Y2K problem and initiate their transmission backup plan on the day the plan is implemented;
 - c. Notify all trading partners on the day the plan is implemented; and
 - d. Notify IQCU to commence Y2K contingency First Live Batch on the day the plan is implemented
3. For DCS, notify contractor on the day the plan is implemented
4. Suspend all reporting to credit bureaus on the day the plan is implemented.
5. After system repairs are completed, process payments as of the date those payments were received at the lockbox.

VI. Testing Plan *(The activities ED will carry out before December 31, 1999, to test the contingency plan.)*

1. Test Objectives

For DLSS, to ensure that the lockbox can produce payment backup files. Inspect FLB results for accuracy. Use the "payment backup file" and compare to actual production input.

For DCS, to ensure that the log is accurate and kept up-to-date and use this log as a record for actual production input.

2. Test Approach

Send backup payment posting data and execute payment application programs.

3. Required Resources

Backup file, computer/printing time to execute test, and ED and contractor staff to execute and verify the test.

4. Personnel

See Business Resumption Team (Part IV).

5. Schedules and Locations

October 1999 at contractor facilities in Rockville, MD

6. Test Procedures

For DLSS:

1. Simulate call to notify lockbox to execute Y2K contingency plan
2. Create files at lockbox
3. Transport files to processing center
4. Load tapes
5. Run program to read files and apply payments
6. Perform First Live Batch review of output to verify success
7. Present findings to Department management

For DCS:

Tested during Y2K migration which was completed the week of March 1, 1999.

7. Expected Results and Exit Criteria

Successful completion of payment application jobs and accurate results of those payments.

DETAILED CONTINGENCY PLAN C

This plan details the steps ED will take in the event that DLSS or DCS cannot update borrower records after January 1, 2000.

Business Owner *(This is the name of the business process owner with implementation authority.)*

DLSS

Direct Loan Servicing System
U.S. Department of Education
7th and D Streets, SW
ROB-3, Room 4025
Washington, DC 20202

DCS

Debt Collection Service
U.S. Department of Education
7th and D Streets, SW
ROB-3, Room 5114
Washington, DC 20202

I. Prerequisites *(Activities that need to be completed on or before December 31, 1999, to implement the contingency plan.)*

For activities 1 and 2, the Business Owners will provide a task order to the contractors no later than July 30, 1999, to:

1. Create "Daily Call Logs" to track borrower calls and the information necessary to return the call when deemed necessary.
2. Develop "logging" processes to track incoming correspondence for processing after system remediation.
3. The Business Owners will conduct weekly meetings to review planning and preparations during November and December 1999.
4. The Business Owners will conduct daily meetings to review planning and preparations during the two weeks prior to December 31, 1999.

II. Zero-Day Strategy *(In some instances it may be possible to minimize the risk of failure. The zero day strategy provides for risk reduction activities such as shutting down non-essential dependent processes to protect the critical process.)*

Detailed information about the Day-One Plan and Zero-Day Strategy is maintained by Program System Services (PSS) as part of their Y2K preparation.

III. Trigger Criteria *(The criteria define the instance of failure, time required to initiate the contingency plan, and the time required to conduct other trigger activities.)*

Trigger *(An event or chain of events that signals the need to implement the contingency plan.)*

DLSS or DMCS systems cannot update accounts. The contingency plan would be enacted on the day the DLSS or DMCS system failure without any additional lost time.

System Monitoring *(Ongoing systems review process.)*

Computer operations staff monitors daily production processes and Quality Control conducts random sampling on all output.

Response Procedure *(Procedures for notifying responsible parties of system failures.)*

For DLSS:

1. Computer operations staff or Quality Control personnel will inform the contractor's Production Manager.
2. The contractor's Production Manager will inform the Program Manager.
3. The Program manager will call the DLSS Division Director at ED and the Division's Production Lead.

For DCS:

1. The Director of Program Systems Service (PSS/FFELSD) will call the Acting Director of DCS.

Event Monitoring *(Parties responsible for overseeing system repairs.)*

For DLSS:

Both the Quality Control staff of the contractor and the Independent Quality Control Unit (IQCUC) will review and monitor all activities and report at AM and PM Production meetings any significant events during the recovery process. IQCUC will perform "first live batch" reviews of all output and processes and provide an independent assessment of these activities.

For DCS:

FFEL and DCS staff will review and monitor all activities and report at the morning and afternoon production meetings. FFEL and its system contractor will perform First Live Batch reviews of all output processes, and provide an assessment at the next production meeting.

Failure Tolerance Threshold *(The time ED will allow for system repairs to be completed before implementing the contingency plan.)*

One day.

Implementation Timeframe *(The time it will take to implement the contingency plan.)*

The contingency plan can be implemented immediately after a failure occurs.

Go No-Go Decision Point (*The last day by which the Business Owner must decide whether to proceed with the plan so that it can be implemented on the next day after the Failure Tolerance Threshold.*)

One day after a failure, the Business Owner will assess progress and remediation efforts to fix the problem and will enact the plan if efforts are not leading to an immediate recovery.

Notification Procedures (*The actions ED will take to inform customers and partners of the system failure and the contingency plan requirements.*)

ED and its contractors will implement several actions:

For Direct Loans Servicing System:

1. ED's Production Lead will notify the Division Director of the occurrence of a Y2K problem.
2. The Division Director will contact the ED Customer Service and notify them of the failure.
3. The Division Director will notify ED management:
 - a) Program Systems Service, Director;
 - b) Customer Accounts Managers, Direct Loan Liaison Officer;
 - c) Direct Loan Task Force, Director;
 - d) Customer Service Branch, Chief; and
 - e) Accounting and Financial Management Service, Director.
4. The Customer Service Voice Response Unit at the Loan Servicing Center will be programmed to announce the problem and provide pertinent, updated information on remediation activities.
5. The Division Production Lead will notify all trading partners of the situation and coordinate processing activities during the contingency period.

For DCS:

1. The Director, PSS/FFELSD, will notify the Director, DCS, of the occurrence of a Y2K problem.
2. The Service Director will notify his or her Division Directors and Regional Directors.
3. The COTR, Region IV for collection agency contracts will contact the private collection agencies.
4. The COTR, Region V for the Public Inquiry Contractor (PIC) will notify that contractor.
5. The Interactive Voice Response Unit at the Public Inquiry Contractor will be programmed to announce the problem and provide further information.

6. DCS management will notify additional program trading partners, including Treasury, guaranty agencies, and others.

IV. Business Resumption Team (*Identify and list the roles and responsibilities of team members.*)

DLSS Business Resumption Team

Business Owner
U.S. Department of Education
ROB-3, Room 4025
7th & D Streets, SW
Washington, DC 20202

Manage the overall activities associated with implementing the DLSS portion of the contingency plan and has the authority to commit ED resources. Also responsible for updating senior ED management and providing direction to the contractor through the COTR.

Production Lead
U.S. Department of Education
ROB-3, Room 4025
7th & D Streets, SW
Washington, DC 20202

Monitor the Production environment and communicate with other on-site monitors at all trading partners.

Development Team Leader
U.S. Department of Education
ROB-3, Room 4025
7th & D Streets, SW
Washington, DC 20202

Review and provide advice on all system development activities and serve in the absence of the Business Owner.

COTR
U.S. Department of Education
ROB-3, Room 4025
7th & D Streets, SW
Washington, DC 20202

Inform the contracting office of specific directions provided to the contractor.

Development, Y2K Team Leader

U.S. Department of Education
ROB-3, Room 4025
7th & D Streets, SW
Washington, DC 20202

Coordinate Y2K response activities and assure compliance with plans and directions.

Program Systems Service Director
U.S. Department of Education
ROB-3, Room 4025
7th & D Streets, SW
Washington, DC 20202

Manage the overall activities associated with implementing the DLSS portion of the contingency plan and has the authority to commit ED resources. Also responsible for updating senior ED management and providing direction to the contractor through the COTR.

On Site Monitor
U.S. Department of Education
501 Bleecker Street
AFSA Service Center
Utica, NY 13501

Monitor on site production and quality. Coordinate with other on-site monitors at trading partner sites.

DCS Business Resumption Team

Business Owner
U.S. Department of Education
ROB-3, Room 5114
7th & D Streets, SW
Washington, DC 20202

Manage the overall activities associated with implementing the DCS portion of the contingency plan and has the authority to commit ED resources. Also responsible for updating senior ED management and providing direction to the contractor through the COTR.

Director
U.S. Department of Education
7th & D Streets, SW
Washington, DC 20202

Monitors the Production environments and communicates with other on-site monitors at all trading partners and contractors.

Director
Region IV Service Center
U.S. Department of Education
Atlanta, GA

Monitor the Production environment and communicate with other on-site monitors at all trading partners and contractors in the region.

Director
Region V Service Center
U.S. Department of Education
Chicago, IL

Monitor the Production environment and communicate with other on-site monitors at all trading partners and contractors in the region.

Director
Region IX Service Center
U.S. Department of Education
San Francisco, CA

Monitor the Production environment and communicate with other on-site monitors at all trading partners and contractors in the region.

Director (Acting)
PSS/FFELSD, Process Owner
U.S. Department of Education
ROB-3, Room 4517
7th & D Streets, SW
Washington, DC 20202

Provide direction to the System Contractor through the COTR.

Y2K Team Leader
U.S. Department of Education
ROB-3
7th and D Streets, SW
Washington, DC 20202

Coordinate Y2K activities and assure compliance with plans and directions.

Production Lead
U.S. Department of Education

ROB-3
7th and D Streets, SW
Washington, DC 20202

Monitor the production environment and communicates with on-site monitors.

COTR
U.S. Department of Education
ROB-3
7th and D Streets, SW
Washington, DC 20202

Inform contracting office of specific directions to the contractor.

Computer Security Officer
U.S. Department of Education
7th and D Streets, SW
Washington, DC 20202

Responsible for ensuring that the DLSS and DCS security standards are maintained while the systems are repaired and during the time the plan is implemented.

V. Sequence of Required Activities *(The activities that the Business Resumption Team will carry out in support of the contingency plan and after the Business Owner decides to implement the contingency plan.)*

1. The Business Owner will conduct morning status meetings every day of production for the first two weeks of January 2000.
2. When a Y2K problem is identified, the DLSS and DCS Business Resumption Team, as appropriate, will:
 - a. Notify ED senior management of the situation on the day the contingency plan is implemented;
 - b. Notify Service Center of disruption on the day the plan is implemented;
 - c. Notify all trading partners on the day the plan is implemented;
 - e. For DLSS, notify IQCU to commence Y2K contingency First Live Batch on the day the plan is implemented;
 - f. For DCS, notify contractor on the day the plan is implemented;
 - g. Suspend all reporting to credit bureaus and other reporting dependent on updated data that is being manually logged until that data is entered onto the appropriate system; and
 - h. Upon resumption of DLSS or DCS system processing, input data as of the date received.

VI. Testing Plan *(The activities ED will carry out before December 31, 1999, to test the contingency plan.)*

1. Test Objectives

For DLSS, to ensure that the Service Center can log borrower calls and input data from the records that has been stored during the interim.

For DCS, to ensure that the Public Inquiry Contractor can log borrower calls and process logs.

2. Test Approach

For DLSS, the use of borrower call logs is a current production activity and has been successfully tested..

For DCS, IVRU has already been tested and is Y2K compliant.

3. Required Resources

Call logs.

4. Personnel

See Business Resumption Team (Part IV).

5. Schedules and Locations

Already tested.

6. Test Procedures

This procedure has been used for temporary outages. No further testing required

7. Expected Results and Exit Criteria

Successful capture of borrower calls and accurate updating of the system.

DETAILED CONTINGENCY PLAN D

This plan details the steps ED will take in the event that DLSS cannot book new loans or DCS cannot accept new accounts after January 1, 2000.

Business Owner *(This is the name of the business process owner with implementation authority.)*

DLSS

Direct Loan Servicing System
U.S. Department of Education
7th and D Streets, SW
ROB-3, Room 4025
Washington, DC 20202

DCS

Debt Collection Service
U.S. Department of Education
7th and D Streets, SW
ROB-3, Room 5114
Washington, DC 20202

I. Prerequisites *(Activities that need to be completed on or before December 31, 1999, to implement the contingency plan.)*

1. The Business Owner for DLSS will notify contractors by July 30, 1999, that they may be required under this plan to maintain necessary booking data files until DLSS can receive and process those files.
2. The Business Owner for DCS will notify partners by July 30, 1999, that they may be requested under this plan to hold loans until DCS can receive and process those loans.
3. The Business Owners will conduct weekly meetings to review planning and preparations during November and December 1999.
4. The Business Owners will conduct daily meetings to review planning and preparations during the two weeks prior to December 31, 1999.

II. Zero-Day Strategy *(In some instances it may be possible to minimize the risk of failure. The zero day strategy provides for risk reduction activities such as shutting down non-essential dependent processes to protect the critical process.)*

Detailed information about the Day-One Plan and Zero-Day Strategy is maintained by Program System Services (PSS) as part of their Y2K preparation.

III. Trigger Criteria *(The criteria define the instance of failure, time required to initiate the contingency plan, and the time required to conduct other trigger activities.)*

Trigger *(An event or chain of events that signals the need to implement the contingency plan.)*

DLSS systems cannot process daily booking inputs. The contingency plan would be enacted on the first day after the DLSS system failure occurs (allowing the first day for immediate remediation efforts). The contingency sequence of events would be enacted that same day without any additional lost time.

For DCS, no contingency plan is necessary because loans would continue to be serviced by the loan holder.

System Monitoring (*Ongoing systems review process.*)

Computer operations staff monitors daily production processes and Quality Control conducts random sampling on all output.

Response Procedure (*Procedures for notifying responsible parties of system failures.*)

For DLSS:

1. Computer operations staff or Quality Control personnel will inform the contractor's Production Manager.
2. The contractor's Production Manager will inform the Program Manager.
3. The Program manager will call the DLSS Division Director at ED and the Division's Production Lead.

For DCS:

1. The Director of Program Systems Service (PSS/FFELSD) will call the Acting Director of DCS.

Event Monitoring (*Parties responsible for overseeing system repairs.*)

For DLSS:

Both the Quality Control staff of the contractor and the Independent Quality Control Unit (IQCUC) will review and monitor all activities and report at AM and PM Production meetings any significant events during the recovery process. IQCUC will perform "first live batch" reviews of all output and processes and provide an independent assessment of these activities.

For DCS:

FFEL and DCS staff will review and monitor all activities and report at the morning and afternoon production meetings. FFEL and its system contractor will perform First Live Batch reviews of all output processes, and provide an assessment at the next production meeting.

Failure Tolerance Threshold (*The time ED will allow for system repairs to be completed before implementing the contingency plan.*)

One day.

Implementation Timeframe *(The time it will take to implement the contingency plan.)*

The contingency plan can be implemented immediately after a failure occurs.

Go No-Go Decision Point *(The last day by which the Business Owner must decide whether to proceed with the plan so that it can be implemented on the next day after the Failure Tolerance Threshold.)*

One day after a failure, the Business Owner will assess progress and remediation efforts to fix the problem and will enact the plan if efforts are not leading to an immediate recovery.

Notification Procedures *(The actions ED will take to inform customers and partners of the system failure and the contingency plan requirements.)*

ED and its contractors will implement several actions:

For Direct Loans Servicing System:

1. ED's Production Lead will notify the Division Director of the occurrence of a Y2K problem.
2. The Division Director will contact the ED Customer Service and notify them of the failure.
3. The Division Director will notify ED management:
 - a) Program Systems Service, Director;
 - b) Customer Accounts Managers, Direct Loan Liaison Officer;
 - c) Direct Loan Task Force, Director;
 - d) Customer Service Branch, Chief; and
 - e) Accounting and Financial Management Service, Director.
4. The Customer Service Voice Response Unit at the Loan Servicing Center will be programmed to announce the problem and provide pertinent, updated information on remediation activities.
5. The Division Production Lead will notify all trading partners of the situation and coordinate processing activities during the contingency period.

For DCS:

1. The Director, PSS/FFELSD will notify the Director, DCS, of the occurrence of a Y2K problem.
2. The Service Director will notify his or her Division Directors and Regional Directors.

3. The COTR, Region IV for collection agency contracts will contact the private collection agencies.
4. The COTR, Region V for the Public Inquiry Contractor (PIC) will notify that contractor.
5. The Interactive Voice Response Unit at the Public Inquiry Contractor will be programmed to announce the problem and provide further information.
6. DCS management will notify additional program trading partners, including Treasury, guaranty agencies, and others.

IV. Business Resumption Team (*Identify and list the roles and responsibilities of team members.*)

DLSS Business Resumption Team

Business Owner
U.S. Department of Education
ROB-3, Room 4025
7th & D Streets, SW
Washington, DC 20202

Manage the overall activities associated with implementing the DLSS portion of the contingency plan and has the authority to commit ED resources. Also responsible for updating senior ED management and providing direction to the contractor through the COTR.

Production Lead
U.S. Department of Education
ROB-3, Room 4025
7th & D Streets, SW
Washington, DC 20202

Monitor the Production environment and communicate with other on-site monitors at all trading partners.

Development Team Leader
U.S. Department of Education
ROB-3, Room 4025
7th & D Streets, SW
Washington, DC 20202

Review and provide advise on all system development activities and serve in the absence of the Business Owner.

COTR
U.S. Department of Education

ROB-3, Room 4025
7th & D Streets, SW
Washington, DC 20202

Inform the contracting office of specific directions provided to the contractor.

Development, Y2K Team Leader
U.S. Department of Education
ROB-3, Room 4025
7th & D Streets, SW
Washington, DC 20202

Coordinate Y2K response activities and assure compliance with plans and directions.

Program Systems Service Director
U.S. Department of Education
ROB-3, Room 4025
7th & D Streets, SW
Washington, DC 20202

Manage the overall activities associated with implementing the DLSS portion of the contingency plan and has the authority to commit ED resources. Also responsible for updating senior ED management and providing direction to the contractor through the COTR.

On Site Monitor
U.S. Department of Education
501 Bleecker Street
AFSA Service Center
Utica, NY 13501

Monitor on site production and quality. Coordinate with other on-site monitors at trading partner sites.

DCS Business Resumption Team

Business Owner
U.S. Department of Education
ROB-3, Room 5114
7th & D Streets, SW
Washington, DC 20202

Manage the overall activities associated with implementing the DCS portion of the contingency plan and has the authority to commit ED resources. Also

responsible for updating senior ED management and providing direction to the contractor through the COTR.

Director
U.S. Department of Education
ROB-3
7th & D Streets, SW
Washington, DC 20202

Monitor the Production environments and communicate with other on-site monitors at all trading partners and contractors.

Director
Region IV Service Center
U.S. Department of Education
Atlanta, GA

Monitor the Production environment and communicate with other on-site monitors at all trading partners and contractors in the region.

Director
Region V Service Center
U.S. Department of Education
Chicago, IL

Monitor the Production environment and communicate with other on-site monitors at all trading partners and contractors in the region.

Director
Region IX Service Center
U.S. Department of Education
San Francisco, CA

Monitor the Production environment and communicate with other on-site monitors at all trading partners and contractors in the region.

Director (Acting)
PSS/FFELSD, Process Owner
U.S. Department of Education
ROB-3, Room 4517
7th & D Streets, SW
Washington, DC 20202

Provide direction to the System Contractor through the COTR.

Y2K Team Leader

U.S. Department of Education
ROB-3
7th and D Streets, SW
Washington, DC 20202

Coordinate Y2K activities and assure compliance with plans and directions.

Production Lead
U.S. Department of Education
ROB-3
7th and D Streets, SW
Washington, DC 20202

Monitor the production environment and communicate with on-site monitors.

COTR
U.S. Department of Education
ROB-3
7th and D Streets, SW
Washington, DC 20202

Inform contracting office of specific directions to the contractor.

Computer Security Officer
U.S. Department of Education
ROB-3
7th and D Streets, SW
Washington, DC 20202

Responsible for ensuring that the DLSS and DCS security standards are maintained while the systems are repaired and during the time the plan is implemented.

V. Sequence of Required Activities *(The activities that the Business Resumption Team will carry out in support of the contingency plan and after the Business Owner decides to implement the contingency plan.)*

1. The Business Owners will conduct morning status meetings every day of production for the first two weeks of January 2000.
2. When a Y2K problem is identified, the DLSS Business Resumption Team will:
 - a. Notify ED senior management of the situation on the day the contingency plan is implemented;
 - b. Notify all trading partners on the day the plan is implemented;
 - c. Notify IQCU to commence Y2K contingency First Live Batch on the day the plan is implemented; and

- d. After DLSS is repaired, process booking data on resumption of processing.
3. When notified that the Y2K failure is repaired, the Business Owner will direct DCS to begin accepting new loans and resume normal processing.

VI. Testing Plan *(The activities ED will carry out before December 31, 1999, to test the contingency plan.)*

1. Test Objectives

For DLSS, to ensure that trading partners can hold production files for later processing. Inspect FLB results for accuracy.

For DCS, ensure trading partners can hold debts for later loading to the Debt Management and Collection System (DMCS).

2. Test Approach

For DLSS, this functionality has been used at numerous conversion points during the life of the Direct Loan program. Year-specific software (e.g., YR6 Cutover in March 1999) required that Loan Origination maintain several days worth of data while DLSS was down during conversion. The same approach will be utilized under this plan.

For DCS, no testing is required because these procedures have been performed successfully in the past.

3. Required Resources

Computer/printing time to execute test, computer storage space, and ED and contractor staff to execute and verify test.

4. Personnel

See Business Resumption Team (Part IV).

5. Schedules and Locations

Testing not necessary at this time. Executed during March 1999.

6. Test Procedures

Not necessary.

7. Expected Results and Exit Criteria

Successful completion of booking jobs and accurate results of those transactions.

DETAILED CONTINGENCY PLAN E

This plan details the steps ED will take in the event that DLSS cannot process electronic debits to borrowers after January 1, 2000.

Business Owner *(This is the name of the business process owner with implementation authority.)*

DLSS

Direct Loan Servicing System
U.S. Department of Education
ROB-3, Room 4025
7th and D Streets, SW
Washington, DC 20202

I. Prerequisites *(Activities that need to be completed on or before December 31, 1999, to implement the contingency plan.)*

1. The Business Owner will provide a task order by July 30, 1999, to the DLSS and contractors to create:
 - a. Four "Y2K EDA Backup Tapes" at the conclusion of each billing cycle during December 1999. These tapes will be used to resend borrower payment data to the banking system.
 - b. A "Name/Address" tape of all EDA borrowers in late December 1999 to prepare mass mailing letters to EDA borrowers. This tape would be used to produce "information mailings" during the outage.
2. The Business Owner will conduct weekly meetings to review planning and preparations during November and December 1999.
3. The Business Owner will conduct daily meetings to review planning and preparations during the two weeks prior to December 31, 1999.

II. Zero-Day Strategy *(In some instances it may be possible to minimize the risk of failure. The zero day strategy provides for risk reduction activities such as shutting down non-essential dependent processes to protect the critical process.)*

Detailed information about the Day-One Plan and Zero-Day Strategy is maintained by Program System Services (PSS) as part of their Y2K preparation.

III. Trigger Criteria *(The criteria define the instance of failure, time required to initiate the contingency plan, and the time required to conduct other trigger activities.)*

Trigger *(An event or chain of events that signals the need to implement the contingency plan.)*

DLSS cannot produce electronic debits or the EDA Vendor (Federal Reserve KC) cannot process electronic debits. The contingency plan would be enacted on the second day after the failure occurs (allowing the first day for immediate remediation and the second day for transport of the backup tapes to the Treasury). The contingency sequence of events would then be enacted per the same schedule as a normal production cycle without any additional lost time.

System Monitoring *(Ongoing systems review process.)*

Computer operations staff monitors daily production processes and Quality Control conducts random sampling on all output.

Response Procedure *(Procedures for notifying responsible parties of system failures.)*

1. Computer operations staff or Quality Control personnel will inform the contractor's Production Manager.
2. The contractor's Production Manager will inform the Program Manager.
3. The Program manager will call the DLSS Division Director at ED and the Division's Production Lead.

Event Monitoring *(Parties responsible for overseeing system repairs.)*

Both the Quality Control staff of the contractor and the Independent Quality Control Unit (IQCUC) will review and monitor all activities and report at AM and PM Production meetings any significant events during the recovery process. IQCUC will perform "first live batch" reviews of all output and processes and provide an independent assessment of these activities.

Failure Tolerance Threshold *(The time ED will allow for system repairs to be completed before implementing the contingency plan.)*

One day.

Implementation Timeframe *(The time it will take to implement the contingency plan.)*

The contingency plan can be implemented immediately after a failure occurs.

Go No-Go Decision Point (*The last day by which the Business Owner must decide whether to proceed with the plan so that it can be implemented on the next day after the Failure Tolerance Threshold.*)

One day after a failure, the Business Owner will assess progress and remediation efforts to fix the problem and will enact the plan if efforts are not leading to an immediate recovery.

Notification Procedures (*The actions ED will take to inform customers and partners of the system failure and the contingency plan requirements.*)

ED and its contractors will implement several actions:

1. ED's Production Lead will notify the Division Director of the occurrence of a Y2K problem.
2. The Division Director will contact the ED Customer Service and notify them of the failure.
3. The Division Director will notify ED management:
 - a) Program Systems Service, Director;
 - b) Customer Accounts Managers, Direct Loan Liaison Officer;
 - c) Direct Loan Task Force, Director;
 - d) Customer Service Branch, Chief; and
 - e) Accounting and Financial Management Service, Director.
4. The Customer Service Voice Response Unit at the Loan Servicing Center will be programmed to announce the problem and provide pertinent, updated information on remediation activities.
5. The Division Production Lead will notify all trading partners of the situation and coordinate processing activities during the contingency period.

IV. Business Resumption Team (*Identify and list the roles and responsibilities of team members.*)

DLSS Business Resumption Team

Business Owner
U.S. Department of Education
ROB-3, Room 4025
7th & D Streets, SW
Washington, DC 20202

Manage the overall activities associated with implementing the DLSS portion of the contingency plan and has the authority to commit ED resources. Also responsible for updating senior ED management and providing direction to the contractor through the COTR.

Production Lead
U.S. Department of Education
ROB-3, Room 4025
7th & D Streets, SW
Washington, DC 20202

Monitor the Production environment and communicate with other on-site monitors at all trading partners.

Development Team Leader
U.S. Department of Education
ROB-3, Room 4025
7th & D Streets, SW
Washington, DC 20202

Review and provide advice on all system development activities and serve in the absence of the Business Owner.

COTR
U.S. Department of Education
ROB-3, Room 4025
7th & D Streets, SW
Washington, DC 20202

Inform the contracting office of specific directions provided to the contractor.

Development, Y2K Team Leader
U.S. Department of Education
ROB-3, Room 4025
7th & D Streets, SW
Washington, DC 20202

Coordinate Y2K response activities and assure compliance with plans and directions.

Program Systems Service Director
U.S. Department of Education
ROB-3, Room 4025
7th & D Streets, SW
Washington, DC 20202

Manage the overall activities associated with implementing the DLSS portion of the contingency plan and has the authority to commit ED resources. Also responsible for updating senior ED management and providing direction to the contractor through the COTR.

V. Sequence of Required Activities *(The activities that the Business Resumption Team will carry out in support of the contingency plan and after the Business Owner decides to implement the contingency plan.)*

1. The Business Owner will conduct morning status meetings every day of production for the first two weeks of January 2000.
2. When a Y2K problem is identified, the Business Resumption Team will:
 - a. On the day the contingency plan is implemented, suspend credit bureau reporting activities for the duration of the Y2K contingency period;
 - b. Notify Department senior management of the situation on the day the plan is implemented;
 - c. Notify all trading partners on the day the plan is implemented;
 - d. Notify Treasury of situation on the day the plan is implemented and place them on alert to schedule production using Y2K EDA back-up tapes;
 - e. Notify IQCU to commence Y2K contingency First Live Batch on the day the plan is implemented; and
 - f. Send billing cycle EDA tape to Treasury.
3. When notified that the Y2K failure is repaired, the Business Owner will direct the Team to resume regular electronic debiting process and notify internal and external parties. Resume credit bureau reporting activities.

VI. Testing Plan *(The activities ED will carry out before December 31, 1999, to test the contingency plan.)*

1. Test Objectives

To ensure that Treasury process from an "EDA Y2K" tape. Inspect FLB results for accuracy.

2. Test Approach

Send tapes of electronic debit cycle.

3. Required Resources

Computer tapes, development resources to prepare "Y2K EDA Letter," ED , and contractor staff to execute and verify test.

4. Personnel

See Business Resumption Team (Part IV).

5. Schedules and Locations

October 1999 at contractor facilities in Rockville, MD.

6. Test Procedures

- a. Create tapes;
- b. Transport tapes to Treasury;
- c. Mount tapes;
- d. Run program to read tapes;
- e. Perform First Live Batch review of output to verify success; and
- f. Present findings to Department management.

7. Expected Results and Exit Criteria

Successful completion of jobs and accurate results of bills .